

BINDOON–CHITTERING AREA — WATER SUPPLY

Grievance

MR R.S. LOVE (Moore) [9.55 am]: I would like to address a grievance to the Minister for Water. I thank her for taking my grievance, which relates to the water supply in Chittering. Bindoon is a community of 1 000 people located 90 kilometres north of Perth. It is the major centre in the Shire of Chittering with a population of 4 900 and is growing rapidly. The Shire of Chittering has consistently in recent years had an annual growth rate of 4.5 per cent—well ahead of the state average. There are, however, a number of water-related factors that are severely limiting that growth. Water infrastructure in Bindoon needs updating and there is no public water supply allocation for the town.

Bindoon is the only town in the Shire of Chittering with a reticulated water supply, but its water infrastructure is in desperate need of upgrade. Twice in the past 12 months the town's water supply has failed and supplies have had to be trucked in. On 5 July 2013 a sand pressure filter failed, and it was 21 days before the town's water supply could be restored. A further filter problem occurred earlier this year on 10 February when a pressure valve failed due to a surge in water pressure. It was a week before the repaired filter was able to be commissioned and the Water Corporation is yet to fit an improved new filter valued at \$100 000. I am deeply concerned that a town of this size can lose its supply of potable water twice in seven months and, further still, to lose water at the height of summer when demand for water is greatest and the risk of bushfire is heightened. Water supplies from Bindoon are crucial in the event of a bushfire in the Shire of Chittering, which the Department of Fire and Emergency Services considers an extreme fire risk.

More recently, on the morning of 30 April, the town's water main burst and supplies were disrupted for five hours. Bindoon's water infrastructure needs were outlined in a report by Sinclair Knight Merz entitled "Bindoon Water Supply Planning 2010". I understand that a single 100 millimetre asbestos line supplies the town, with no backup. SKM raised the size, suitability and capacity of this water main as an issue in its report of 2010. I have been informed that none of the recommendations detailed in the SKM report has in fact been addressed. Infrastructure upgrades for production, treatment and delivery of water are required.

These matters aside, the real impediment to growth and development in the town of Bindoon is the lack of available water. Bindoon's water supply is limited due to the lack of allocation for public water supply, coupled with the fact that all available water in the shire is held by water traders with access rights to 1.3 gegalitres of water. It is assumed that the water allocation was originally granted to these license holders for agricultural purposes, allowing the water to now be traded provided it is no longer required for agriculture. As there is no incentive to develop their water holdings, nor any requirement to do so in a given time frame, these license holders are warehousing water and waiting for the highest bidder in the form of a commercial property developer. Property development is thwarted in the shire with no funds expended on infrastructure owing to the lack of development.

This is not a new issue. The Department of Water's seventy-third report entitled "Bindoon–Chittering Water Reserve Drinking Water Source Protection Plan" of July 2007 acknowledged that the future water allocation for the Bindoon–Chittering area needed to be addressed. The Western Australian Planning Commission's statutory planning committee resolved to support the provision of reticulated water to the Bindoon town site in its 2008 document on establishing priorities for water supply in the Shire of Chittering. The draft Gingin groundwater allocation plan released for comment in August 2013 confirmed the absence of an allocation for public water supply in the town, now and into the future.

The only water trade that has occurred in the Bindoon–Chittering area took place in 2008 and involved a water allocation trade between Lennard Brook Farms Pty Ltd, the Water Corporation, the Department of Water and the Shire of Chittering. This trade more than doubled the town's present allocation from 280 megalitres to 643 megalitres. The Water Corporation agreed that it will not supply the water until Lennard Brook Farms entered into an agreement with a developer. Also, property developers seeking approval from the Shire of Chittering must enter a trade with Lennard Brook Farms in order to gain council support and subdivision clearance. The developer is rarely willing to go down the path of first securing a deal with a water trader who is free to set the price per kilolitre as they see fit. There is then the matter of paying Water Corporation for the headworks and, in addition, paying for the internal infrastructure costs necessary in providing a reticulated water network. These costs borne by the developer are passed directly on to the prospective landholder.

If we take the Shire of Chittering development at lot 62 Great Northern Highway as a case in point, and assume that the developer secures an allocation of around 425 kilolitres per block, the price of the block would have to reflect the added cost of the water trade. If we price water at \$16 per kilolitre, the prospective landholder would have to pay \$6 800 per block, and at \$32 per kilolitre the block price increases by \$13 600 simply because the developer has to secure a water allocation. This is a cost impost that is unique to Bindoon and an obvious inhibitor to growth. Problems are not confined to Bindoon. Other developments in the Shire of Chittering are

being stifled by the lack of available water. The recently released central midlands sub-regional economic strategy prepared in collaboration with the Wheatbelt Development Commission, notes that the major inhibitor to growth in the Chittering shire in the horticultural sector is the lack of groundwater security and the capacity of current reticulated potable water infrastructure is an inhibitor for industry and residential purposes. The strategy notes that many rural residential lots are not connected to reticulated potable water services and residential lot sizes are larger to accommodate this factor, resulting in inefficiencies for local government servicing these residential lots. Among actions deemed to be necessary to allow the Shire of Chittering to leverage economic opportunity was the need for the shire, the Department of Water and the Water Corporation to develop water infrastructure plans and to establish water trading arrangements with local traders. How sad is that?

The “Muchea Employment Node Structure Plan”, a Western Australian Planning Commission document, outlines plans for a 1 113-hectare development near the junction of the Great Northern and Brand Highways to meet the growing demand for industrial land in the north-eastern corridor. “Directions 2031”, a WAPC document, estimates an additional 69 000 people and 42 000 jobs in the north-eastern sector in the next 20 years. The provision of water and wastewater services is listed as a development constraint in the employment node structure plan, and identifies water trading as the most efficient means of delivering water to the Shire of Chittering. The need for an innovative water supply is outlined, with the acknowledgement that the employment node development will be dominated by low water users, with water sourced locally from the Leederville formation with supplementation from rainwater. One developer who was ready to invest many millions of dollars in the employment node has since baulked at the prospect of bringing water to the development.

Despite the clear demand for water, the current trading system does not appear to be working in the Shire of Chittering. Government intervention is required to ensure that the Shire of Chittering has sufficient public water available and to prevent the warehousing of water by license holders—a situation that is impeding development. I think it appropriate that government exercise its right to request that unused water allocations be returned.

I call on the Minister for Water to right this situation and enable enhanced growth in the Chittering shire.

MS M.J. DAVIES (Central Wheatbelt — Minister for Water) [10.02 am]: I thank the member for Moore for raising this issue and for his ongoing work in addressing this very serious issue of concern in his electorate. He and Hon Martin Aldridge have been working very closely with the Water Corporation, the Shire of Chittering and me to resolve the issue. After listening to the points made by the member for Moore this morning, I understand that there is concern about the Water Corporation’s performance and infrastructure, and the ongoing supply of water to the broader shire. Such is the concern of the government that there are representatives from the Shire of Chittering in the gallery today, and I hope that we can continue to work with them to resolve the matter.

I will start with infrastructure. The Water Corporation owns and operates the Bindoon–Chittering town water supply scheme and in the past 12 months five asset failures in that scheme have resulted in a loss of service of more than two hours. That included a large water main burst along the Great Northern Highway in April 2014 that affected more than 200 customers in the town, and occurred as a result of high pressures in the pipe network caused by a rock impacting on a pressure-reducing valve in the supply main. A rock filter upstream of the pressure-reducing valve has now been installed to reduce the risk of that happening again. Since 2013 the Water Corporation has also experienced two water failure events at its water treatment plant, and that has had an obvious impact on the community’s confidence in the water supply and the ability of the Water Corporation to deliver that water. The first occurred in late 2013 and involved a failure of the steel water filter due to an internal corrosion event. To recover supplies quickly, the filter was replaced with a fibreglass unit from another supply scheme. Unfortunately, in February 2014, in a completely unrelated event, that replacement fibreglass unit also failed. The filter unit was repaired and returned to service within seven days, but that, understandably, has created concerns in the community about the capacity of the Water Corporation to provide this vital service. As a result, the Water Corporation has completed a detailed investigation of the second failure, and concluded that it was a result of the pressure exceeding the limit of the replacement valve. Following from this, there have been numerous changes to pipework and other settings at the water treatment plant to try to mitigate and prevent that from happening again. During those two events, the Water Corporation maintained supplies to the town by carting water, which in the view of some people in community is probably not acceptable, but the water supplies were maintained in that way for up to seven days.

In addition to these immediate works, the Water Corporation is undertaking a number of additional improvements to ensure that there is a reliable water supply service for customers in Bindoon. Those improvements include a project to install an additional filter unit to improve the efficiency and security of the filtration plant, which is expected to be completed in August 2014, and a program to inspect, maintain and install new valves to enhance the management of the scheme and minimise the impact during unexpected events. Essentially, when there is an event, the Water Corporation is trying to minimise the number of customers impacted at any one point in time. There is also a long-term program of work to deliver necessary infrastructure

to service 1 200 lots in the region and that will involve additional bores, an expanded water treatment plant and upgraded transfer pump stations and storage at existing sites.

The second problem the member for Moore raised is the ongoing water supply for the region and the amount of water available to enable development. The Liberal–National government has a very strong focus on regional development, and the growth of regional communities is based on access to high quality and reliable water services. Currently, the Water Corporation supply scheme services 380 lots in Bindoon, and an additional 70 vacant lots are within access of the current pipe network. The Water Corporation informs me that there have been 24 connections since 2009, reflecting an annual growth rate of about 1.3 per cent. In 2010, the Water Corporation reviewed its water supply planning for the scheme to assess the capacity of the scheme, including any infrastructure requirements to meet water demand in 2015. That report, based on a growth rate of 2.2 per cent, which was consistent with WAPC forecasts, found that the system could meet growth requirements in the short term. The member for Moore said that growth in that region is greater than that predicted by the WAPC. At the same time, initiatives were introduced into the community on the demand management side, which means that there has been a reduction in the amount of water per lot being used. I congratulate the community of Bindoon for reducing its water use, which enables us to deal with short to medium-term growth without accessing some of the water that the member referred to in relation to the water trade.

Over the past three months, since the member for Moore and the member for the Agriculture Region Hon Martin Aldridge raised the issue, the government has reviewed the growth in the scheme and understands that greater growth is occurring and that, despite water efficiency measures, the government must make sure that it has a long-term plan for the community. As a result of demand management, the Water Corporation estimates an additional 47 million litres of water is available to support further development and, based on current usage patterns, growth and expansion in the scheme can cater for approximately 165 new residential lots.

I know the shire and the Water Corporation have met regularly. I will undertake to make sure that that continues to happen, because the government understands how important this matter is, and that they report back to me as it is very beneficial. In specific reference to the trade arrangements, given that the Water Corporation believes that it can accommodate this growth in the short to medium term, I have asked the Water Corporation to go back and look at its long-term planning, which includes its arrangements with the water trade person it has been dealing with. I have asked it to review the arrangements for the long-term security of water supplies. The trades were done in good faith and it was a low-cost option into the long term. We now have the capacity to deal with that in the short term and so I give that undertaking and thank the member for raising this issue today.